

Assembly Bill No. 672

CHAPTER 239

An act to amend Section 19591 of, to amend and repeal Section 17735 of, and to repeal Sections 19513, 19514, and 19515 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 6, 2013. Filed with
Secretary of State September 6, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 672, Harkey. Tax administration: tax clearance certificates.

Existing law requires, for specified estates, a tax clearance certificate issued by the Franchise Tax Board certifying that all taxes have been paid or secured as required by law, before a probate court allows the final account of the fiduciary. Existing law prohibits a deduction from being allowed for amounts attributable and taxable to nonresident beneficiaries if the fiduciary fails to obtain a tax clearance certificate, as specified.

This bill would eliminate the tax clearance certificate requirement related to the final account of the fiduciary and related provisions. This bill would also eliminate the tax clearance certificate requirement related to that deduction for taxable years beginning on or after January 1, 2014.

The people of the State of California do enact as follows:

SECTION 1. Section 17735 of the Revenue and Taxation Code is amended to read:

17735. (a) In the case of an estate, for taxable years beginning before January 1, 2014, no deductions shall be allowed under Section 661(a) of the Internal Revenue Code with respect to amounts attributable and taxable to nonresident beneficiaries if the fiduciary failed to obtain a certificate as provided by former Section 19513.

(b) This section shall remain in effect only until December 1, 2018, and as of that date is repealed.

SEC. 2. Section 19513 of the Revenue and Taxation Code is repealed.

SEC. 3. Section 19514 of the Revenue and Taxation Code is repealed.

SEC. 4. Section 19515 of the Revenue and Taxation Code is repealed.

SEC. 5. Section 19591 of the Revenue and Taxation Code is amended to read:

19591. (a) Specialized tax services fees shall be imposed upon the following services provided by the board:

(1) Installment payment programs.

(2) Expedited services for:

- (A) Corporation revivor requests.
- (B) Tax-exempt status requests.
- (C) Limited partnership revival confirmation letter requests.

(b) (1) For periods on or after the effective date of this section and prior to January 1, 2006, the Franchise Tax Board shall publish by notice a schedule of specialized tax services fees to be imposed, which notice shall be exempt from the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The amounts of these fees under this paragraph shall be calculated in the same general manner as required under paragraph (2).

(2) Commencing on January 1, 2006, the amount of the specialized tax services fees shall be established by the board through regulations adopted pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and shall be established in the manner and in the amounts necessary to reimburse the board for the costs of administering the specialized services, including the board's direct and indirect costs for providing specialized tax services.

(3) For periods on or after the effective date of this section, and prior to January 1, 2011, the amount of the specialized tax service fee for limited partnership revival confirmation letter requests shall be one hundred dollars (\$100). Commencing on January 1, 2011, the specialized tax service fee for limited partnership revival confirmation letter requests shall be calculated in the same general manner as required under paragraph (2).

CORRECTIONS:

Date—Page 1.
